

CHAPTER 5 - REPORTS/TRANSACTIONS

A. FINANCIAL RECORD (DRMS FORM 1578)

1. Maintain DRMS Form 1578, Financial Record, covering all sales proceeds received, including retail sales, by the DRMO Central cashier, either manually and/or mechanically (see Supplement 4 for a sample DRMS Form 1578). Maintain DRMS Form 1578 covering sales proceeds and other funds collected as authorized. Use this record to verify and reconcile the funds on hand in the cash box at the end of each day and on demand for audit. Control all proceeds by IFB number and/or contract number; DRMS Form 198 (total of all sales slips to be recorded on DRMS Form 1578) for retail sales.

2. File DRMS Form 1578 (see DLAI 5015.1 or DLAD 5015.1).

3. At the beginning of each day, record the balance of cash and negotiable instruments on hand on the Financial Record (DRMS Form 1578). Any transaction during the day that changes the amount of funds the cashier has on hand requires a posting to the financial record. When more than one cashier is required to receive, record, process and account for funds at any given point in time, each cashier is to maintain a separate record. Use a separate DRMS Form 1578, Financial Record, to record each type of foreign currency received by the cashier (e.g., franc, lira, or yen).

4. At the end of each day's business or at the time the cashier is relieved of duty, total and reconcile DRMS Form 1578 with the cash and negotiable instruments on hand. At the end of each day's business, the DRMO Chief, or designee (other than a cashier) will perform a daily financial transaction verification (see instructions in paragraph C1, this chapter). The verification process will include reconciliation of cash register tape to funds on hand (cash and guaranteed negotiable instruments) to DD Form 1131, DRMS Form 51 to DRMS Form 1578 to DD Form 1131 to cash box. After completion of the daily financial transaction verification, the applicable official will initial the day's last entry - "on hand verified (cashier signature)." This verification does not supersede quarterly verification of cash and guaranteed negotiable instruments. The procedure above does not preclude the use of an alternate or temporary cashier in the typing of necessary financial documents.

5. When cash and negotiable instruments are received in the same envelope or hand delivered simultaneously against the same IFB, list the cash as one line entry with an "X" in the "cash" column, and the negotiable instruments on another line with an "X" in the "other" column. When funds are removed from the cash box, post an entry to DRMS Form 1578. This procedure does not preclude the listing of cash and negotiable instruments on the same financial documents.

a. Use DRMS Form 1578 to record all transactions that affect the cashier's on-hand balance of cash and/or negotiable instruments. It provides a reconcilable balance at all times and maintains a record of accountability of the cashier.

b. At DRMOs that maintain a cash change fund, DRMS Form 1578 will be prepared daily (see paragraph C below for daily verification).

c. Maintain DRMS Form 1578 whenever a cash change fund is received by the DRMO, for those periods of time when processing contracts on a local sale, from the date of receipt of the change fund through the date of its return.

d. Prepare and maintain DRMS Form 1578 daily at DRMOs that do not have a cash change fund, if/when a payment is received, until the funds are deposited.

e. Each cashier (primary and alternate) will maintain a separate DRMS Form 1578 while accountable for any funds.

f. Maintain the DRMS Form 1578 in ink or mechanized (on a computer). Corrections using fluids or correction tape are not allowed. Make corrections by striking a single line through the error, correcting it, and initialing the error.

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- g. Date the DRMS Form 1578 on each page and/or at each day's entry (if more than 1 day's work is on a page).
- h. Number pages in the space provided. If more than one page is necessary to record a day's business, they will be numbered sequentially, e.g., 1 of 3, 2 of 3, 3 of 3, etc.
- i. Do not leave any blank lines in the day's work. There should be an entry on every line until the day's work is closed and verified.

B. VERIFICATION OF FINANCIAL RECORD (DRMS FORM 1578)

1. The DRMO Chief will request the host installation to provide a representative to conduct unannounced quarterly verification of cash and negotiable instruments. The representative will certify the verification as the next entry on the DRMS Form 1578. Certification will consist of a legible signature, title and organization of the verifier. The DRMO should be provided a written report of the verification to include discrepancies or recommendations as noted by the verifier.
2. Where host services for this task are not available, the responsibility for the verifications will be assigned to the DRMO Forward Support Team.
3. When it is necessary to change cashiers, verify DRMS Form 1578 and money on hand by the designee (other than the cashier) before the new cashier takes over.

C. DAILY FINANCIAL TRANSACTION

1. Sales Office Chief or designee: Each day, perform a three-step financial transaction verification. The designee will not be the cashier. The cashier will provide adding machine totals and documents to be used in the verification procedure. Perform verification as follows:
 - a. Verify all funds received against the electronic cash register end-of-day report receipt, and/or total debit column of DRMS Form 1578 to DRMS Form 1427 and/or total of DRMS Forms 198.
 - b. Verify all funds disbursed as recorded on DD Form 1131 to the total credit column of DRMS Form 1578 and/or electronic cash register end-of-day report receipt.
 - c. C1a minus C1b equals the balance on hand at the end of the day and in the cash box.
2. At DRMOs using an approved electronic cash register, the designee (other than a cashier) will verify all entries shown as receipts on the cash register end-of-day report tape against documents provided by the cashier to be used in the verification procedure.
3. After delivery, a properly annotated and signed copy of DRMS Form 1427 will be returned to the designee (other than a cashier) by the Supervisor, Operations Branch. Check the DRMS Form 1427 against the suspense copy held by the cashier and the debit entries on DRMS Form 1578.
4. The designee (other than the cashier) will receive, by mail, the official vouchered copies of DD Form 1131, Cash Collection Voucher, from DFAS-CO-FPDRC. Verify the DD Form 1131 against suspense copies held by the cashier and against credit entries for same as posted to the DRMS Form 1578. If there are no discrepancies, replace the suspense copy with the validated DD Form 1131.
5. On a daily basis, the DRMO Chief or designee will forward validated and verified DD Forms 1131s and the respective DRMS Form 1427 (after bid opening date), for National Sales only to the Cashier, HQ DRMS.
 - DRMOs not using an approved cash register will use DD Form(s) 1131 to verify against the debit entries on DRMS Form 1578 for that business day.